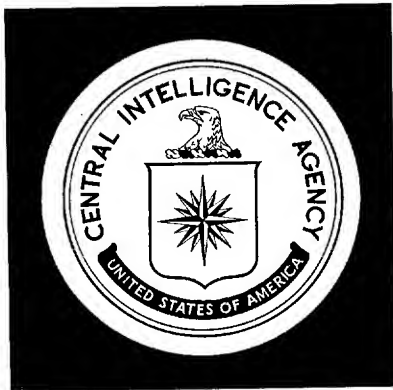


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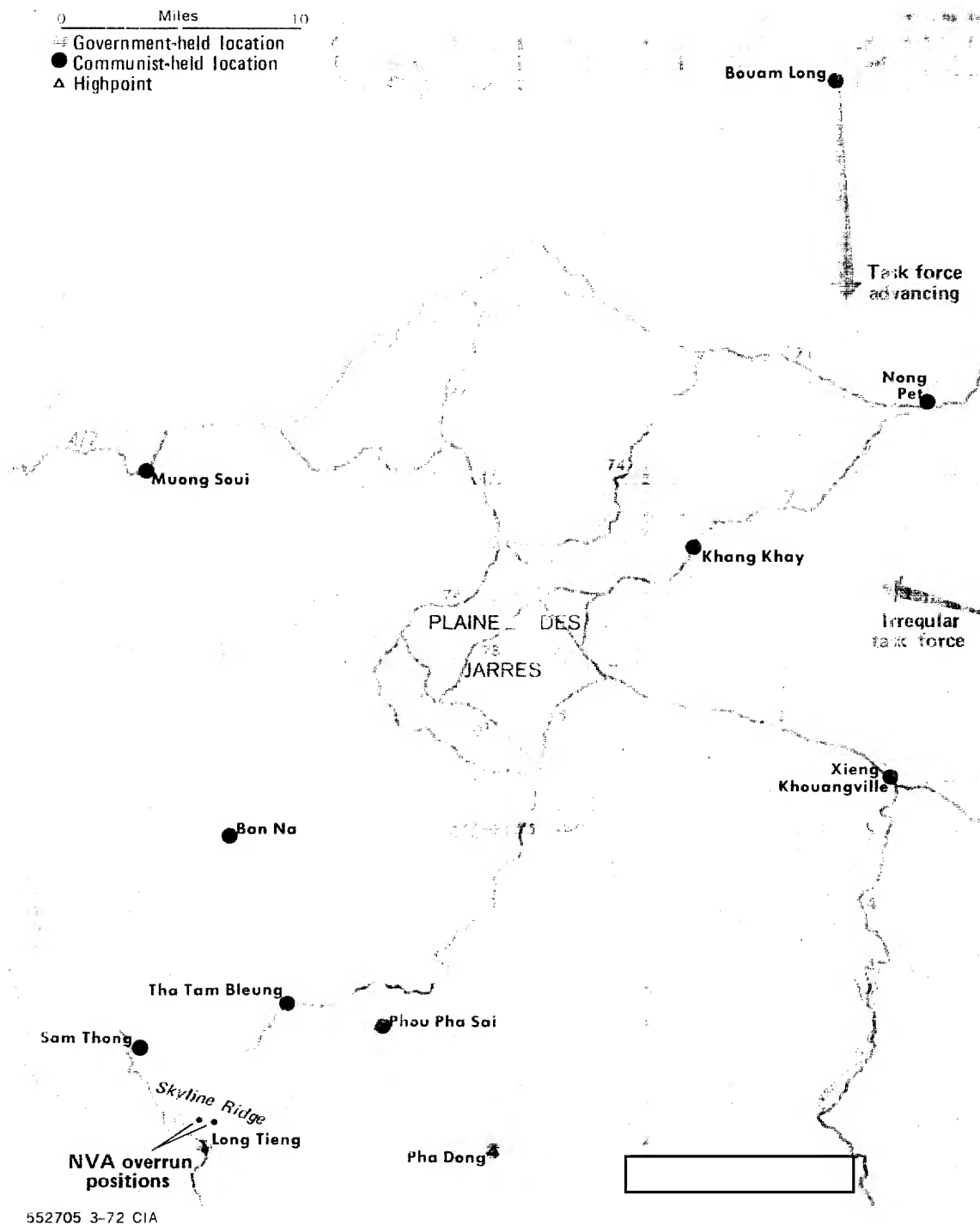
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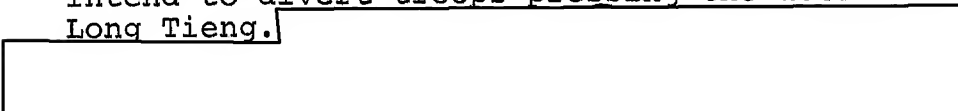
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LAOS: Heavy fighting is continuing on Skyline Ridge.

Irregulars still hold seven positions on the ridge but have been thwarted in their efforts to dislodge Communist troops from two positions on the central portion of the ridge. Communist attacks against the western end of the ridge continued on 20 March, but the irregulars held their ground. A North Vietnamese prisoner captured in the recent fighting claims that elements of the 312th Division were to assault the western sector while two regiments of the 316th Division struck to the east.

The North Vietnamese also may be preparing to launch some harassing attacks from the south. An irregular unit on 20 March clashed with small numbers of North Vietnamese troops moving northwest toward Long Tieng.

To the east, Vang Pao's task forces are moving into positions to threaten the Communists' lines of communications. Advance elements of a 1,500-man task force are now about ten miles south of Bouam Long while a 1,300-man force is moving toward the foothills east of the Plaine. The Communists are trying to counter Vang Pao's offensive with Pathet Lao and North Vietnamese troops already in this area. Thus far there are no signs that they intend to divert troops pressing the attack on Long Tieng.



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CAMBODIA: Lon Nol's new cabinet reflects the increasing political role of the military establishment.

As anticipated, several key ministries will be headed by military men. In addition to General Thappana Nginn, who will continue as minister of interior, former army deputy chief of staff General Sak Sutsakhan will serve as minister of defense, General Kang Keng will head the Commerce Ministry, and a Khmer Krom field commander, Lieutenant Colonel Thach Chea, will be minister of education. Colonel Chea's appointment may be particularly upsetting to the students, who could interpret it as a veiled threat.

On the civilian side, the competent Long Boret remains as information minister, and former national assembly president and frequent government critic Yem Sambaur has agreed to accept the portfolio of minister of justice. The remainder of the cabinet consists largely of civilian technicians carried over from the previous government.

President Lon Nol apparently now has decided that he will also be prime minister so he can chair cabinet meetings. Son Ngoc Thanh's title will be "first minister," and as such, he evidently will coordinate but not direct the work of other ministers as well as run the Foreign Ministry. This arrangement underscores the narrow limits of Thanh's authority.

Protesting students in the capital seem to have welcomed Thanh's appointment. However, they and some of their Buddhist followers, emboldened by their apparently successful campaign to exclude Sirik Matak from the new government, vowed yesterday to withhold support of the government unless the president promulgates a new constitution and reconvenes a national assembly within a few months.

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The continuing student agitation may force a difficult choice on Lon Nol. A placatory gesture to bring short-term relief would only increase the students' new-found sense of power and increase their demands for a more thorough housecleaning. A crack-down, on the other hand, would further narrow the regime's support and could encourage further invidious comparisons with Sihanouk's rule. Thus far, Lon Nol has rejected both courses in the apparent hope that the students' agitation will dissipate.

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CAMBODIA: The three-month lull in significant enemy military action ended on 21 March, when Communist gunners launched their heaviest rocket and mortar attack to date on the Phnom Penh airfield.

Preliminary reports indicate that the predawn barrage destroyed one light aircraft and damaged four others; the slight damage to the airfield itself probably can be quickly repaired. An unknown number of enemy rounds also impacted between the airfield and the downtown Phnom Penh area, starting fires that resulted in considerable civilian casualties--especially in one neighborhood crowded with refugees. The shelling was accompanied by several small-scale enemy probes against scattered government positions a few miles north and south of the city.

The most serious attack occurred against a military radio station east of the airfield, which resulted in 25 killed, most of whom were civilians.

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USSR: Party chief Brezhnev's careful formulation of Soviet positions on major foreign policy issues suggests that underlying differences within the leadership remain unresolved.

Speaking to a trade union congress yesterday, Brezhnev was unusually frank in reciting difficulties encountered by Soviet policies. Brezhnev, who has become the USSR's chief spokesman for detente, admitted that Soviet policy toward the FRG is "not a simple question for our country." The party chief appeared to reflect anxiety about the results of President Nixon's trip to Peking.

In Moscow's first authoritative comment on the President's visit, Brezhnev said that the "subsequent deeds of the US and the PRC" would mark the significance of the talks but indicated suspicions that the dialogue went beyond bilateral Sino-American interests. Brezhnev listed unrequited Soviet efforts to achieve a reconciliation with the Chinese, including a proposal for a non-aggression pact. TASS also announced yesterday that Deputy Foreign Minister Ilichev has returned to Peking to resume border talks with the Chinese after a three-month hiatus.

Despite Soviet anxieties with regard to the Sino-American rapprochement, the Soviet leader pointed to the potential for improved relations with the US. Brezhnev reaffirmed Soviet support for a "mutually acceptable" SALT agreement, and added that Moscow "considers it expedient" to widen the contacts and meetings between the two sides.

Although Brezhnev defended Soviet policy toward Bonn, the linchpin of Moscow's detente with West Europe, he personally endorsed criticism in the Soviet media of opposition in West Germany to ratification of the Eastern treaties. Brezhnev warned that the FRG now faces a "responsible choice"

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between cooperation and confrontation. His implication that the USSR may be moving toward some type of recognition of the Common Market, however, will strengthen Chancellor Brandt's position.

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CHINA: The regime has opted for a further modification of Maoist ideological tenets in granting its first wage increase to Chinese workers since before the Cultural Revolution.

25X1 [redacted] wages for factory workers and government employees in Canton will be increased by about ten percent. [redacted]

[redacted] a military pay raise is also in the offing.

The long delay in raising wages has been due in part to Maoist strictures against relying more heavily on material incentives than on political exhortation to boost production. The postponement also has reflected official concern over stimulating consumer expectations that previously could not be met by an economy that retains military-industrial expansion as its priority goal. But worker discontent over low pay scales has been simmering for a long time, and there has been widespread anticipation of a wage increase. The leadership in Peking apparently has now reached a consensus that an adjustment in the balance between material and ideological incentives is advisable to spur production and alleviate worker dissatisfaction.

25X1 [redacted] the workers' political rectitude and productive abilities are to be considered in granting pay increases. [redacted]

25X1 [redacted] The tendency to downplay political considerations has been increasingly evident in recent domestic propaganda stressing technical expertise, rational managerial policies, labor discipline and industrial safety. [redacted]

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DRUG CONTROLS: Prospects are good for amendment of the 1961 Single Convention on Narcotic Drugs along lines favored by the US.

The UN-sponsored amending conference at Geneva began on 6 March and has 88 voting participants. Final plenary action may begin today, with signature of the protocol slated for Friday. Conference committees have accepted by more than the required two-thirds vote all of the significant proposals offered by the US and 28 cosponsors to reorganize and enlarge the International Narcotics Control Board (INCB), to strengthen its powers to prevent diversion of licensed drug production into illicit traffic, to enhance political review by major UN organs of drug control abuses, and to facilitate extradition for drug offenses.

India and the Soviet bloc countries, in part in concert with the Turkish and Ceylonese delegations, have proved somewhat obstructive. The Indian delegate, reflecting his country's wish to protect its lucrative legal opium export trade, opposes any extension of the INCB's authority and, despite little support, has tried a number of procedural ploys to prevent enactment of amendments reflecting the Western consensus. The Soviet delegation has backed him, in line with the USSR's traditional policy of opposing extensions of the regulatory authority of international agencies, and may also provoke a controversy over the formula for adherence to the amendments.

The chief remaining hurdle, however, appears to be a Venezuelan proposal that threatens to split the Western delegations. Responsive to the views of the less developed countries where opium and other raw materials affected by the 1961 convention are produced, this proposal would require detailed disclosures on the manufacturing of synthetic drugs. The US is willing to accept this amendment, but members of the European Communities have opposed it. Their abstention from the plenary voting could lessen the chances of the amendments eventually being ratified.

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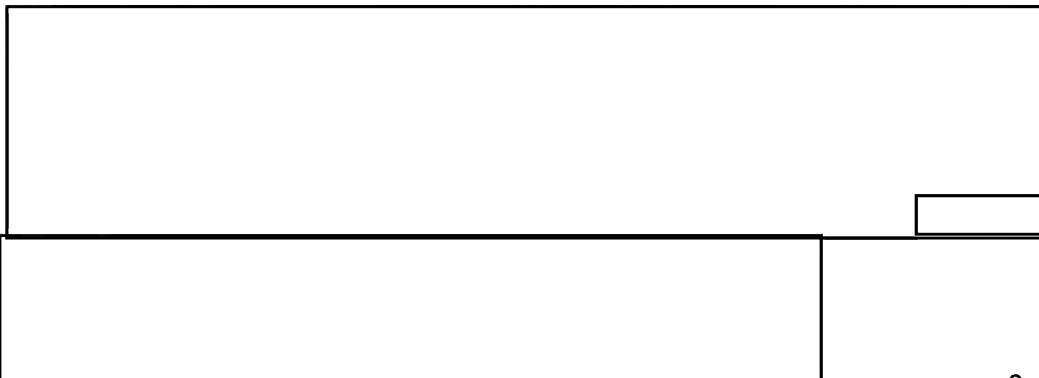
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MAURITIUS: Prime Minister Ramgoolam probably will attempt to establish formal diplomatic relations with China during his visit to Peking on 11-14 April.

Ramgoolam probably hopes to establish representation on a nonresident basis without agreeing to the establishment of a Chinese Embassy. If the Chinese insist on a resident envoy, the Mauritians will try to limit the official Chinese presence. Mauritius technically recognized Peking at the time of Mauritian independence in 1968, but has refrained from allowing an official Chinese presence on the island. Conservative Mauritian politicians and security authorities have been concerned regarding the inroads Communist representatives might make among Mauritius' influential and financially important Chinese community. Ramgoolam's penchant for making rash and ill-considered commitments might cause him to agree to a larger Chinese mission than is supported by his more conservative partners in the coalition government. Foreign Minister Gaetan Duval, a staunch anti-Communist, is accompanying Ramgoolam, however, and he will no doubt attempt to exercise some restraint on the prime minister.

Ramgoolam also wants to maintain friendly relations with the Republic of China, which supports a rice-growing project on the island. Peking is sure to oppose this policy and demand the ouster of the Nationalists.



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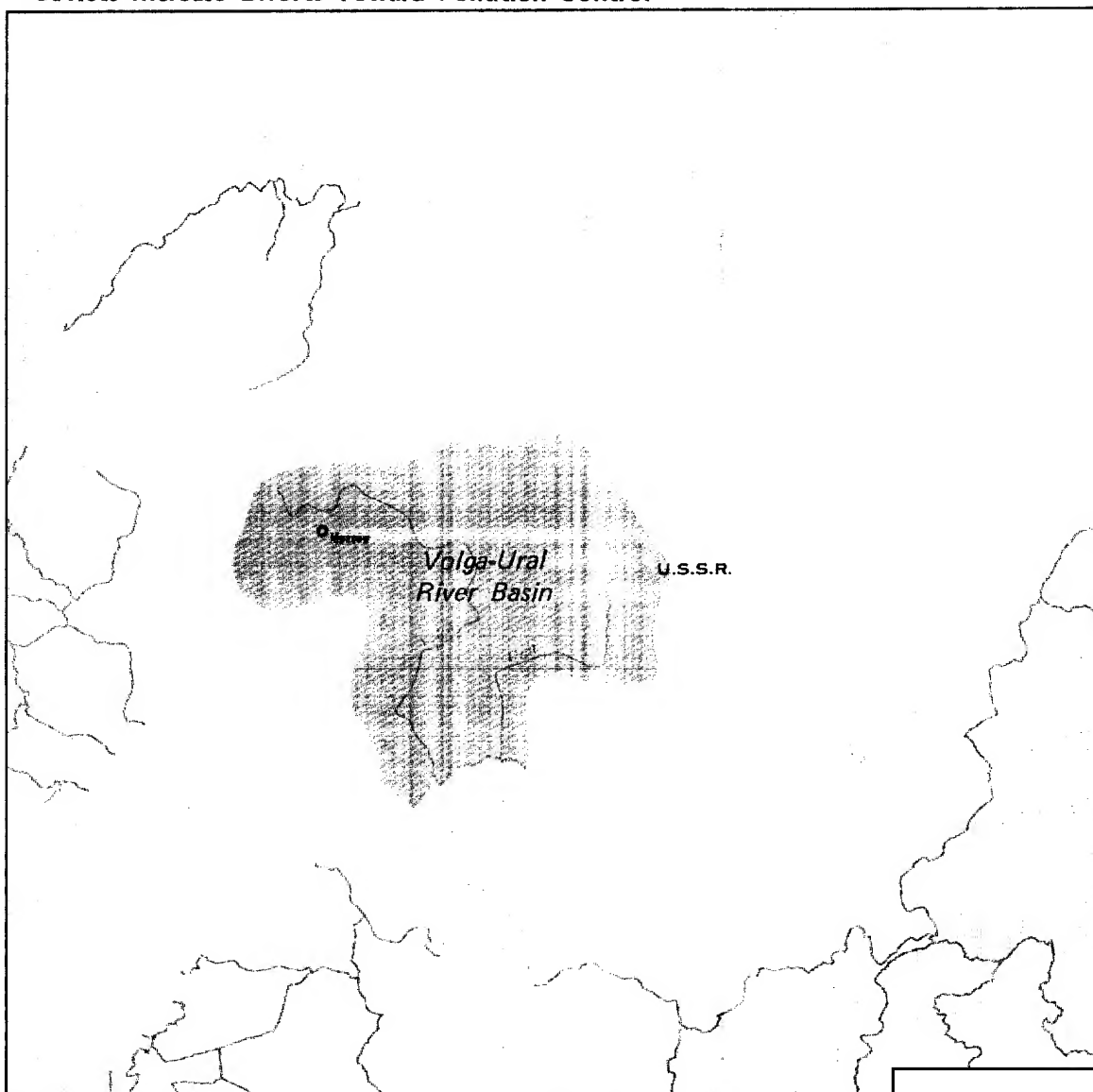
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Soviets Increase Efforts Toward Pollution Control



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USSR: Moscow has allocated about \$1.2 billion to be spent on pollution control during 1972-75.

The money will finance construction of treatment plants and facilities for industrial waste and municipal water supplies in the Volga and Ural river basins, one of the USSR's worst polluted areas. This area is highly developed because of Moscow's drive to increase the output of heavy industry. The area accounts for roughly one third of the USSR's industrial production, about one quarter of its agricultural output and over one quarter of the Soviet population.

Soviet industrial enterprises generally have been allowed to operate with outmoded or non-existent treatment plants. Many cities, moreover, are served by water treatment facilities that are outdated, poorly constructed or inadequate.

The decree follows all-Union legislation designed to curb water pollution, but Soviet administrative problems persist. In large part, protection of the country's resources will continue to be entrusted to the ministries and departments that also exploit these resources. Much additional investment undoubtedly will be necessary before the discharge of all untreated waste into the Volga-Urals area is ended.

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ZAIRE-ANGOLA: Zairian military authorities have arrested the military staff of Holden Roberto's Revolutionary Government of Angola in Exile (GRAE).

25X1 [redacted] President Mobutu Sese Seko ordered the action after the staff refused to surrender certain anti-Roberto officers and several Portuguese prisoners captured in Angola. The GRAE officers and the Portuguese prisoners are now in army custody, following the dispatch of Zairian Army units to GRAE's military headquarters this past weekend. The headquarters, located about 150 miles from Kinshasa, is under Zairian guard.

Roberto and his military staff have been at odds for six months over the movement's long-standing shortage of materiel and finances. Last January, dissension within GRAE prompted Mobutu to tighten his control of the insurgents and to restrict Roberto's leadership role to nonmilitary functions. Despite its dim prospects, Mobutu has continued to support GRAE as an alternative to the other two Angolan insurgent groups.

GRAE's limited insurgency effort in Angola has long been weakened by Roberto's unwillingness to compromise or to delegate authority. For the present, the arrests probably will generate renewed efforts by Roberto to reclaim control of GRAE. [redacted]

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If he is in Mobutu's good graces, Roberto may soon announce the formation of a new and more responsive military staff. In any event, it will be some time before GRAE recovers from the present turmoil.

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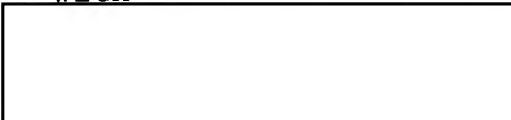
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CYPRUS: Archbishop Makarios, in his official reply to the Cypriot bishops, has rejected their interpretation of canon law that he cannot hold the positions of archbishop and president at the same time. Makarios implied that the bishops' request for his resignation as president was inspired by Greece to embarrass him. The archbishop stated that he would step down if the bishops persist in their demand rather than cause a split in the church. He warned them, however, that his resignation would lead to a "national disaster." Makarios may believe that if he can neutralize the bishops now, it will enhance his ability to parry Greek pressure. Reporting from Greece does not reflect any easing in the Greek attitude, and an end to Athens' dispute with Makarios still appears far off. 

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ITALY: The election of Enrico Berlinguer as secretary-general of the Italian Communist Party on 17 March underscores the decline of Soviet influence with the Italian Communists. Previous secretaries-general of the party have been critical of the Soviets after moving into the top office in the party, but Berlinguer is the first to be elected with a record of public opposition to the Soviets. As acting deputy secretary-general for the last three years, Berlinguer insisted on continued, though muted, criticism of Soviet intervention in Czechoslovakia in 1968. At the 13th party congress in Milan last week, the Italian Communist leadership refused to allow a Czechoslovak delegation to read a prepared speech which presented a rationale for Soviet actions in 1968. The Italian leaders instead circulated the speech with a covering note explaining that the document "expresses positions with which we do not agree, but which we believe should be brought to the attention of our comrades."



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